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MEMORANDUM FOR: Assistant Secretary of Defense
(Manpower and Personnel)

SUBJECT: Strength Accounting for Reimbursable Officer
Detailed to the Central Intelligence Agency

1. Reference is made to the November 26, 1952 Agreement between the Secretary of Defense, the Director of the Bureau of the Budget, and the Director of Central Intelligence concerning reimbursement for certain detailed officers, and also to the Fiscal Year 1954 personnel requirements forecast which was forwarded to your office 26 March 1953.

2. Strength accounting for officers in the reimbursable category has generated a problem. If those officers are excluded entirely from the authorized strength of their respective parent services, they will not participate equally in personnel programs which are based on budgetary ceilings and grade limitations. Moreover, any strength accounting system which separately identifies officers in these two categories either by name or grade, will contravene that part of the reimbursement agreement which stipulates lump-sum transactions rather than individual computations.

3. For promotion planning purposes, it is believed that each service needs authority to exceed its authorized personnel ceiling and grade structure by the forecast numbers and grades of officers in the reimbursable category, retaining the non-participation in promotion programs without requiring duplicate strength accounting for each reimbursement category. The Department of the Army has proposed such an addition to Fiscal Year 1954 grade and strength ceilings, and has requested a detailed forecast of the officer requirements of the Central Intelligence Agency by grade in each category.

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4. It is recommended that this method of strength accounting, as it pertains to budgetary ceilings in each of the Armed Services, be explored to determine its applicability to all Army, Navy, Air Force, and Marine Corps officers for whose pay and allowances the Central Intelligence Agency will reimburse during Fiscal Year 1954. Unless such persons can be assured of treatment equal to that accorded their brother officers who are not paid on a reimbursable basis, we can expect a serious morale problem that may well impair, if not prevent, the use of this category of critically-needed personnel.

5. This recommendation is made with the understanding that there are now, and may continue to be, legislative limitations imposed on military pay and allowances in the Department of Defense. However, it is not in any sense designed to avoid such limitations and should be construed only as a means of observing these restrictions and at the same time preserving co-equal rights of the military personnel affected. If there appear to be any legal obstacles to the action proposed, would you be kind enough to advise me accordingly.

WALTER REID WOLF
Deputy Director
(Administration)

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Second page drafted by Mr. [REDACTED]

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